Report - Standing Policy Committee on Property and Development - February 5, 2004

Item No. 8 Sale of City-owned Property - West side of McFarlane Street North between Rover and Sutherland Avenues
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On February 18, 2004, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the Director of Planning, Property and Development be authorized to:

   A. Commence marketing the subject property for sale in accordance with the City's standard terms and conditions, similar to those identified in Schedule "A".

   B. Set a reserve price at $6,000.00.

   C. Pay real estate commission of three (3%) percent to any registered Real Estate Agent should they bring in an offer which is ultimately completed

2. That the Chief Administrative Officer be delegated the authority to accept the best Offer to Purchase that is in accordance with the City's proposed terms and conditions (similar to those identified in Schedule "A") and where the offered price is not less than the reserve price.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Property and Development - February 5, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 18, 2004, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 5, 2004, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: Proposed Marketing and Sale of the City-owned Property Located on the west side of McFarlane Street North between Rover and Sutherland Avenues (jp)
Lord Selkirk-West Kildonan Community
Point Douglas Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: January 30, 2004

Recommendation(s):

1. That the Director of the Planning, Property and Development Department be authorized to:

    a) Commence marketing the subject property for sale in accordance with the City's standard terms and conditions, similar to those attached identified as Schedule "A"
    b) Set a reserve price at $6,000.00
    c) Pay real estate commission of 3% to any registered Real Estate Agent should they bring in an offer which is ultimately completed

2. That subject to the approval of Recommendation No.1, that the Chief Administrative Officer be delegated the authority to accept the best Offer to Purchase that is in accordance with the City's proposed terms and conditions (similar to those attached identified as Schedule "A") and where the offered price is not less than the reserve price.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

The subject property was acquired in Tax Sale on February 25, 2003. The residential dwelling was demolished in June 2003.

The property was circulated in the usual manner and no civic need was identified nor are there any easement requirements.

At their meeting held on December 9, 2003 the Lord Selkirk-West Kildonan Community Committee advised that it had no objection to the sale of the subject property.

Pursuant to City Policy regarding the acquisition or disposition of tax sale properties, where it is not required for City purposes is firstly to be offered to public housing agencies. In this regard, an e-mail was sent to North End Stakeholders requesting any expression of interest, no responses were received.

The Department received two expressions of interest to purchase the subject property. One expression of interest was received from the adjoining owner to purchase the lot for $3,000.00 and another from the owner two lots removed without a price included. These letters of interest are attached.

The Department is recommending that the subject City property be marketed for sale by means of its public offering process, as this property is considered to be suitable for "in-fill" single or two family residential development.

The net sales proceeds will be credited to the Land Operating Reserve Account.

Implications of the Recommendation(s):

General implications:

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

Policy implications:

X	**No**
	Yes

Comment(s):

Environmental implications:

X	**No**
	Yes

Comment(s):
The Real Estate Division has not carried out an Environmental Site Assessment of the subject property. The Purchaser will have the ability to conduct this investigation pursuant to the proposed terms of sale.

Human resources implications:

X	**No**
	Yes

Comment(s):

Financial implications:

[X] Within approved current and/or capital budget

[ ] Current and/or capital budget adjustment required

Comment(s):

REASON FOR THE REPORT:

In accordance with City Policy, the Standing Policy Committee on Property and Development shall finalize all sales, including terms and conditions, for which the Director of the Planning, Property and Development Department has no authority. By this Report, the Department is seeking the approval of the Committee to the proposed standard terms and conditions of sale, and to the payment of commissions. The Department is also seeking a delegation of authority to the Chief Administrative Officer to accept the best resultant Offer to Purchase which will require Council approval.

HISTORY:

The subject property was acquired in Tax Sale on February 25, 2003. The 1,842 square foot vacant boarded up 1& ¾ storey residential dwelling was demolished in June 2003.
As of December 31, 2003 the total cost incurred for this tax sale property including demolition, equals $14,826.58.

The property was circulated to all Departments to determine if there were any Civic need for the subject property. No need was identified.

On December 1, 2003 the area Planner advised that the sale of this lot is acceptable from a Planning and Land Use perspective.

Pursuant to City Policy regarding the acquisition or disposition of tax sale properties, where such property is not required for City purposes, it is firstly to be offered to public housing agencies. In this regard, an e-mail was sent to North End Stakeholders requesting any expression of interest. No responses were received.

At their meeting held on December 9, 2003 the Lord Selkirk-West Kildonan Community Committee advised that it had no objection to the sale of the subject property.

DISCUSSION:

Details of the subject property are as follows:
Location: West side of McFarlane Street North between Rover and Sutherland Avenues
Legal Description: Lot 30, Plan 31854
Certificate of Title: 1931937
Roll Number: 14000743000
Assessment (2003): $11,500.00
Zoning: "R2" – Residential
Servicing: All typical services are available
Site Size: 10.058m x 37.824m = ±380.4m²
(33 ft. x 124.09 ft. = ±4,095 sq. ft.)

The Department received two expressions of interest to purchase the subject property. One expression of interest was received from the adjoining owner to purchase the lot for $3,000.00 and another from the owner two lots removed without a price included. These letters of interest are attached.

Based on an internal appraisal completed for the subject property, the Department is recommending the reserve price be set at $6,000.00.

Given that there are two expressions of interest to purchase the subject property (and perhaps there may be others) the Department is seeking Committee's approval to authorize the Director to proceed to market the property by means of its public offering process. Further, that authority to accept Offers to Purchase that are received in accordance with the City's form and terms and conditions of sale, without variation, and where the offered price is not less than the reserve price, be delegated to the Chief Administrative Officer. The Department anticipates that the CAO will then further delegate this authority to the Director of the Planning, Property and Development Department.

The Planning, Property and Development Department supports the proposed sale for the following reasons:

The Property will be on the tax roll immediately.

The sale of this property will eliminate the liabilities associated with the holding of a vacant property.

The net sales proceeds will be credited to the Land Operating Reserve Account.

Financial Impact Statement

Date: January 29, 2004

Project Name:

To Market for sale the City-owned property located on the West side of McFarlane Street North between Rover and Sutherland Avenues.

First Year of Program 2004

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	6,157	235	235	235	235
Net Cost/(Benefit)	$ (6,157)	$ (235)	$ (235)	$ (235)	$ (235)
Less: Existing Budget Amounts	(6,157)	(235)	(235)	(235)	(235)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Proceeds of the sale of $6,157 (assuming Council approves the reserve price at $6,000) in the 2004 program year includes prorated municipal realty taxes based upon the 2003 Municipal Mill Rate plus Local Improvement Levies (LI's) with a closing date of April 30, 2004. Recoveries of $235 in years 2005 to 2008 represents municipal realty taxes plus LI's, the City would receive and assumes no increase in the assessed value of the property nor any change to the Municipal Mill Rate.

"Original signed by"
Gord Courage, Manager
Support Services Division

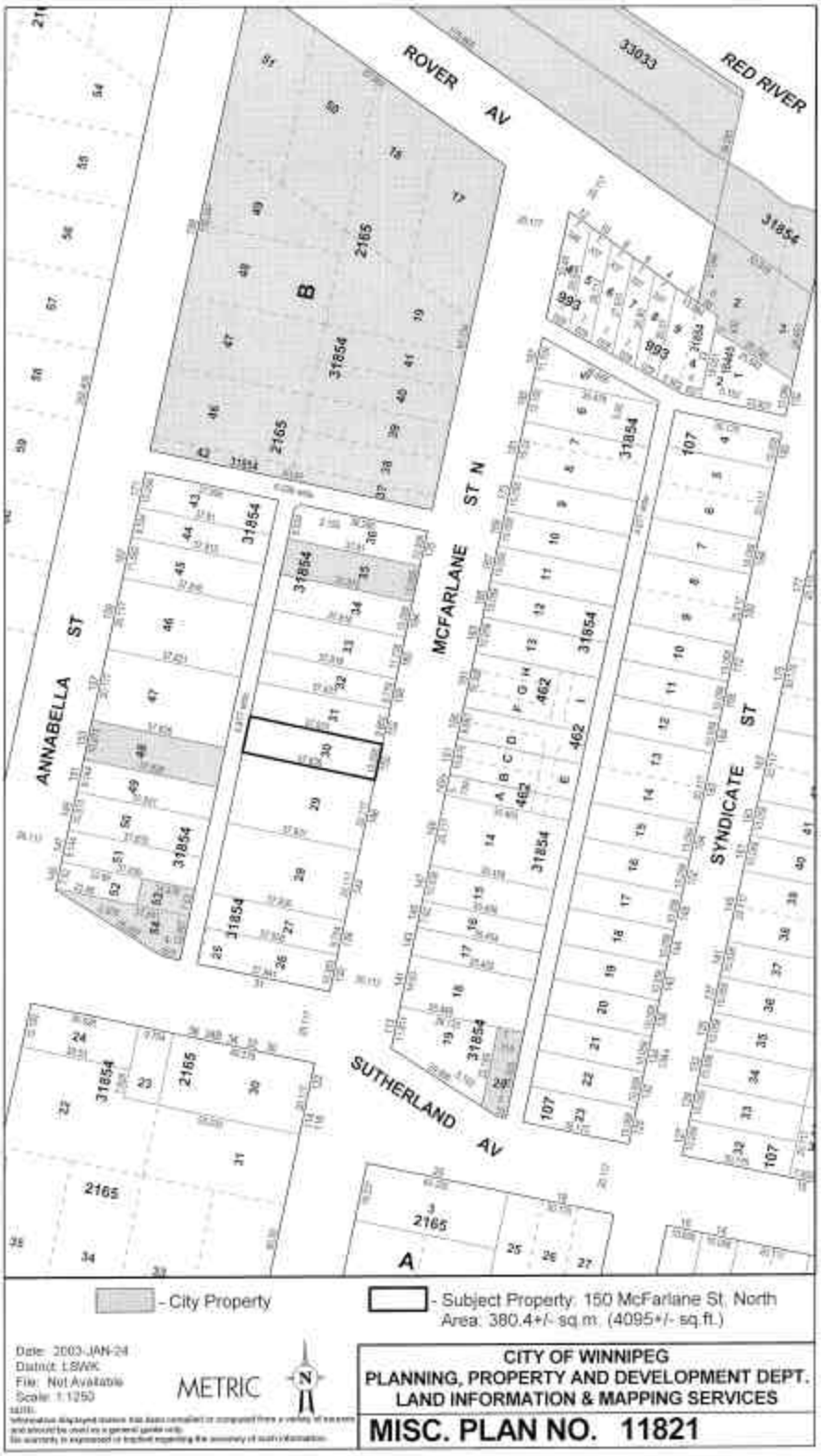
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Winnipeg Housing and Homeless Initiative
The Area Planner
The Lord Selkirk-West Kildonan Community Committee

This report submitted by:

Planning, Property and Development Department
Division: Real Estate Division
Prepared by: Joedi Pruden
PPD File #: 32/7437

Document name: o:\reports directive\real estate\sales\(jp)150mcfarlane.doc


ROVER AV
RED RIVER
33033
31854
2165
B
ANNABELLA ST
MCFARLANE ST N
SYNDICATE ST
SUTHERLAND AV
462
107
A
- City Property
- Subject Property: 150 McFarlane St, North
Area: 380.4+/- sq.m. (4095+/- sq.ft.)
Date: 2003-JAN-24
District: LSWK
File: Not Available
Scale: 1:1250
METRIC
N
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11821

Schedule "A"

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands: -

Lot 30, Plan 31854 WLTO as shown on Misc. Plan No. 11821

(hereinafter called the "lands")

for the sum of $_____ cash, and upon the following terms and conditions:

1. Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" for the purchase price of the lands.

2. (1) The date for adjustments shall be the date the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required) and/or its delegated authority (Date of Approval).

   (2) Date of closing shall be sixty-one (61) days following the date of adjustments.

   (3) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the lands as though the lands had been entered on the assessment rolls of the City as privately-owned and subject to taxation, which adjustments shall be calculated from the date of adjustments to and including the last day of the current taxation year.

3. (1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number. The Goods and Services Tax is to be paid, or the registration number provided, to the City within ten (10) days from date of notice of the approval of the sale by the City.

   (2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

4. The Purchaser will obtain possession of the lands at the Purchaser's own expense.

5. All improvements in or on the said lands shall remain as part of the freehold.

6. The Purchaser will accept Title to the lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

7. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment of the lands and it is determined as a result thereof that contamination levels exceed Provincial Environmental Standards for the intended use of the lands, and documentation to that effect is produced to the City within sixty (60) days following the Date of Approval, but in any event, prior to closing, the City, at its sole option, shall be entitled to:

   (1) take remedial action to bring the contamination levels within the Provincial Environmental Standards, **or,**

   (2) cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date.

   AND FURTHER, in the event the Purchaser fails to provide such documentation as aforesaid, the Purchaser hereby agrees to complete the purchase as herein contemplated and to indemnify and save harmless the City from and against any and all claims arising from or in any way attributable to the existence of contaminants of any kind whatsoever at, in, or upon the said lands.

8. The Purchaser agrees that the sale of the lands shall be subject to any easement, which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas Manitoba Inc. or The City of Winnipeg, for the construction and/or maintenance of facilities together with the right to enter upon the lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area, any building or structure, without the prior written consent of the public utility or the City of Winnipeg, requiring such easement.

9. No current legal survey was made of the property to determine the nature and extent of any structure thereon or to determine if there are any encroachments from adjoining lands.

10. The sale of the lands to the Purchaser shall be subject to the provision of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore, the Purchaser acknowledges and understands that its proposed use and development of the lands may require applications for re-zoning, variances or conditional uses, amendments to Plan Winnipeg, which applications resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

11. The Purchaser agrees that the City may register and maintain a caveat against the lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and

the Purchaser agrees to grant and does hereby grant to the City an interest in the lands according to the tenor of this Offer.

12. Upon approval of the sale by the City, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the lands.

13. Time shall be of the essence of this Offer.

14. The Purchaser will not file any caveat or other encumbrance against the lands before the transfer of the lands to the Purchaser.

15. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

16. The full, true and correct name of the Purchaser is as follows:

_____

Name (Please Print) Address

Purchaser's Registration No. (G.S.T.)_____

IN WITNESS WHEREOF the Purchaser has signed this document in

_____, _____, this _____ day of _____200_

_____ _____

Witness Purchaser

_____ _____

Witness Purchaser

Location:

Size:
Zoning:

32/1457

146 McFarlane Street
Winnipeg, MB R2W 3H7

August 22, 2003

RECEIVED
CITY OF WINNIPEG
AUG 2 6 2003
PLANS
DEVELOPMENT

Sharon Polet
Planning, Property Development Program
2nd Flr – 65 Garry Street
Winnipeg, MB R3C 4K4

Dear Ms Polet:

RE: Offer to Purchase Land Formerly Known as 150 McFarlane St.

This is to express our interest in purchasing the land located beside our property and formerly known as 150 McFarlane.

Reason
In the 29 years that we have lived next to this property, we have put up with slum landlords that rented this house to addicts, drug dealers, and alcoholics. As a result, we have had noise, property damage and theft, garbage, unsightly boulevard and yard, etc. Now that the house has been demolished, we would like the opportunity to purchase the land to obtain some peace and tranquility as we are approaching retirement.

Use
If successful, we intend to remove the fence from between the two properties and relocate to encompass the whole property. The land will be used as green space with grass and flower beds.

Offer
We are offering $3,000 for the land and will seriously consider to meet any other offer you may have received. We understand that City of Winnipeg policy is to first offer city owned land to charitable organizations but, as indicated above, we have a real and vested interest in acquiring this property.

We thank you for any consideration you may be able to give to this offer.

Sincerely,

Frank L. Gunther &
Katalin F. Gunther.

Home Ph. 9449133
FG Cell 7521469
KG Work 9458111

Labelle Printers

160 Provencher Blvd.
Winnipeg, Manitoba
R2H 0G3
Phone (204) 233-5824
Fax (204) 231-1335

RECEIVED
CITY OF WINNIPEG
AUG 12 2003
PLANNING, PROPERTY & DEVELOPMENT DEPARTMENT

August 8, 2003

32/7437

Sharon Polet,

I understand the property at 150 McFarlane Street N. is to be torn down. I would like to purchase this property if it is to be put up for sale. I live at 156 McFarlane Street and this would make a nice yard for my children. Please let me know how I would go about doing this.

Thank you,

Brian Johnson
233-5824 bus.
956-2611 res
sales@labelleprinters.com